

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

85 FLATBUSH RHO MEZZ LLC, *et al.*,¹

Debtors.

-----X

Chapter 11

Case No.: 20-23280-rdd

(Jointly Administered)

DECLARATION PURSUANT TO LOCAL RULE 1007-2

David Goldwasser, hereby declares under penalty of perjury that the following statements are true and correct:

1. I am the managing member of GC Realty Advisors, LLC, the manager of 85 Flatbush RHO Mezz LLC (“Mezz”), 85 Flatbush RHO Hotel LLC (“Hotel”) and 85 Flatbush RHO Residential LLC (“Residential”, and defined together with Mezz and Hotel, as the “Debtors”), and am fully familiar with the facts set forth herein.

2. I submit this declaration in accordance with Local Bankruptcy Rule 1007-2 in support of the Debtor’s filing of a voluntary petition under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

3. Mezz is the 100% owner of Hotel and Residential. Hotel and Residential collectively own the property located at 85 Flatbush Extension, Brooklyn, New York, (the “Property”). The Property is a 132,641 square foot, twelve-story, mixed use property consisting of a 174 room boutique hotel on the first 6 floors known as the Tillary Hotel Brooklyn, a 58,652 square foot 64-unit luxury multi-family building and a 5,642 square foot parking garage. The residential component of the Property has 9 studios, 26 one-bedroom units and 29 two-bedroom

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are 85 Flatbush RHO Mezz LLC. (6184); 85 Flatbush RHO Hotel LLC (5027); and 85 Flatbush RHO Residential LLC 2261).

units. Of the 64 units, currently five (5) are occupied. The intention is to convert the residential component into condominiums.

4. The COVID-19 pandemic and the attendant travel restrictions and quarantine requirements along with the NYC shutdown of indoor dining beginning in March 2020 had an immediate impact on the hospitality industry as a whole and caused the Hotel to shut down operations entirely for the month of April 2020. The Hotel reopened to provide homeless shelter services from May 15, 2020 through June 30, 2020. The Hotel reopened to the public on July 15, 2020 and remains open, but with a substantially reduced occupancy rate, resulting in limited revenue. As a result, Mezz, Hotel and Residential have been unable to pay their current debt service obligations to their secured lenders.

5. No pre-petition committee was organized prior to the Order for relief.

6. No property of the Debtor is in the possession and control of a receiver, however Mezz's secured lender served a notification of disposition of collateral and a subsequent supplemental notification of disposition of collateral seeking to sell Mezz's 100% ownership in the membership interests of Hotel and Residential which UCC sale was originally scheduled for November 30, 2020 and was thereafter adjourned to December 18, 2020.

7. A summary of the Debtor's' assets and liabilities will be set forth on each Debtor's respective summary of schedules to be filed.

8. The names and addresses of each Debtor's twenty largest unsecured creditors, excluding insiders, is filed separately with each Debtor's respective Schedules and Statement of Financial Affairs.

9. All suits or proceedings in which the Debtors are named as a party will be listed in each respective Debtor's Statement of Financial Affairs to be filed.

10. The estimated operating expenses of the Debtors for the next **thirty days** is attached the Debtors' Cash Collateral Motion.

Dated: January 19, 2021

85 FLATBUSH RHO MEZZ LLC
By: GC REALTY ADVISORS, LLC AS MANAGER

By: /s/ David Goldwasser
DAVID GOLDWASSER

Authorized
Signatory

85 FLATBUSH RHO HOTEL LLC
By: GC REALTY ADVISORS, LLC AS MANAGER

By: /s/ David Goldwasser
DAVID GOLDWASSER

Authorized
Signatory

85 FLATBUSH RHO RESIDENTIAL LLC
By: GC REALTY ADVISORS, LLC AS MANAGER

By: /s/ David Goldwasser
DAVID GOLDWASSER

Authorized
Signatory